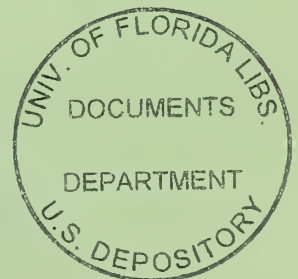


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# THE INCENTIVE AWARDS PROGRAM AND YOU





"... Let's demolish what is antiquated, rebuild only what serves a continuing purpose, and clear some ground for brand new methods. In these endeavors every member of our working team should play a part. We must utilize incentives and provide recognition and reward for those who answer the call."

Lyndon B. Johnson



# THE INCENTIVE AWARDS PROGRAM AND YOU

The Department of Defense Incentive Awards program represents one important means by which recognition and reward is given to civilian employees and members of the Armed Forces who answer the President's call for innovation and who strive for excellence.

Through this program, all civilian employees and all military personnel on active duty are eligible for honorary recognition and cash awards up to \$25,000 for:

**Adopted Suggestions**—ideas, large and small, which enable the Department to accomplish a job better, faster, safer, or more economically and which are over and above what is normally expected as part of the suggestor's assigned responsibilities.

**Inventions**—of a patentable nature that may be used in the public service.

**Scientific Achievements**—which provide scientific or technological accomplishments of such quality and effectiveness as to have materially advanced research and development achievements of the Department.

**Meritorious Performance**—supervisors may initiate award recommendations for civilian employees whose performance is unusually outstanding or exceptional, or who were responsible for special acts or achievements beyond their normal job requirements. Awards granted civilian employees for meritorious performance may be honorary, cash, or in-grade "quality" step increases. Meritorious performance by members of the Armed Forces may be recognized by awards in accordance with the awards and decorations system and the proficiency pay provisions of the military Services. The Department of Defense Incentive Awards program is not the vehicle through which meritorious performance of duties by members of the Armed Forces is to be recognized.

This pamphlet describes the goals of the Department of Defense Incentive Awards program, the types of awards available, and how those awards may be earned by military and civilian personnel.



In 1959 Mrs. Doyle L. Northrup accepted the President's Award for Distinguished Federal Civilian Service on behalf of her husband, who established a network to detect atomic explosions anywhere in the world.

Alain C. Enthoven, then deputy comptroller of the Defense Department, was among the 1963 recipients of the President's Award.



Dr. Herbert Friedman, a Navy scientist, received the President's Award in 1964 as President Johnson and Secretary McNamara watch.





Frank B. Rowlett, National Security Agency, received the President's Award in 1965.

Department of Defense civilian employees and members of the Armed Forces have made the Department's Incentive Awards program the most consistently successful one in the entire Federal Government. In fact, more than \$210 million in benefits to the Government resulted from Defense's program in fiscal year 1965. That was over 85 percent of that year's Government-wide total in the Incentive Awards program.

The Incentive Awards program was pioneered by the Department of Defense over 20 years ago and adopted throughout the Government in 1954. It rewards people for usable suggestions, inventions, special acts of achievement, and sustained superior performance on the job, that benefit the Government.

In essence, by offering cash and honorary awards, the program draws on the knowledge, experience, and imagination of the man or woman on the job to bring to the surface improved ways of doing the job better, faster, safer, or more economically. The cash and honorary awards, along with the prestige and personal pride that accompany them, are the incentives that spark both the flow of employee suggestions and inventions and the extra measures of personal effort called for by special acts of achievement or periods of sustained superior performance.

For more than 20 years cash awards under the Incentive Awards program was pretty much limited to civilian employees, since worthwhile suggestions and outstanding achievements by servicemen could be given special recognition by honorary means and sometimes small cash awards from non-appropriated funds.

Now, however, the nearly 3 million active duty members of the Armed Forces are eligible to receive cash awards for adopted suggestions, inventions, and scientific achievements. In 1965 Congress made members of the Armed Forces eligible for cash awards on the same basis as civilian employees in that part of the Incentive Awards program that rewards suggestions and inventions. To insure that all civilian employee and serviceman participants are treated equally, their contributions will go to the same committee, the criteria used for determining eligibility for awards and for determining the amount of awards to be granted will be essentially the same.

### **The Program's Goals**

The prime objectives of the Incentive Awards program are improved efficiency and greater economy in the operation of the Department of Defense and the military Services, thereby providing better and less costly defense for the Nation.





Savings of \$750,000 in 1965 resulted from improvement suggestions by (l. to r.) SFC John L. LaRue of Ft. Knox, and Adolph A. Wronka and SP5 Bernd W. A. Kliem of Picatinny Arsenal,

The success of the program demonstrates the fact that nobody knows a job quite as well as the man or woman who performs it. The character of the task, or its complexity, does not alter this basic truism, regardless of whether the job is transporting ammunition, filing records, planning a budget, overhauling weapons or equipment, or any other of the thousands of tasks servicemen and civilian employees perform in the Armed Forces.

Because Americans have a penchant for improving things and often think up simpler, faster, cheaper, or safer ways to do something, the suggestions part of the Incentive Awards program flourishes. It is designed to encourage the man or woman with an idea to develop it, to provide a channel for its appraisal, and finally, if it is adopted, to reward that person according to the idea's value to the Government.

Cash awards paid to civilian employees and servicemen range in size from \$15 to \$25,000—the maximum authorized—and are based on either tangible or intangible benefits to the Government of:

- adopted suggestions
- inventions
- special acts or achievements
- sustained superior performance

Tapping the great reservoir of talent among the men and women of the Department of Defense for suggestions and superior accomplish-

ments has paid off significantly, as shown by the benefits to the Government recorded over the past 5 fiscal years by the Department of Defense Incentive Awards program.

### Commanders' and Supervisors' Roles

For the Incentive Awards program to be most effective, and have the maximum possible participation, it needs the wholehearted cooperation and support of all commanders and managers, and first-line supervisors—regardless of whether they are civilian foremen or non-commissioned officers. If they are enthusiastic about the Incentive Awards program, and communicate their enthusiasm to the people they supervise, new ideas and improvements are bound to flow. Furthermore, those officers, managers, and supervisors also are as eligible for awards as are the people working for them.

A special point of concern for commanders and supervisors is the recent authorization for servicemen and women to be paid cash awards for their suggestions, inventions, and scientific achievements. This has created an entirely new audience to whom commanders and supervisors must tell the Incentive Awards program's story if they are to get the full benefit of the imagination, inventiveness, and resourcefulness of the 3 million members of the Armed Forces who now can participate in the program.

Commanders and supervisors who actively



## First-Year Benefits In Department of Defense

	<u>Suggestions</u>	<u>Superior Accomplishments</u>	<u>Total</u>
FY 1961	\$ 54,096,925	\$ 29,923,498	\$ 84,020,423
FY 1962	58,538,064	63,286,091	121,824,155
FY 1963	61,377,426	24,130,159	85,507,585
FY 1964	66,171,148	22,188,836	88,359,984
FY 1965	81,921,024	128,367,197	210,288,221
GRAND TOTAL . . . . .	\$322,104,587	\$267,895,781	\$590,000,368

who were congratulated by Gen. Harold K. Johnson, Army Chief of Staff.

support the program find it an important management tool in their relations with their subordinates and employees and in their efforts to achieve more effective operations. By keeping their standards high but at the same time remaining alert to opportunities to initiate timely award recognition for valuable suggestions and truly outstanding achievements, they find they are creating a more healthy work climate and benefiting from employee ingenuity and effort.

### Cash Awards for Suggestions

The majority of cash awards are given for suggestions that have been adopted either at the installation level, by a higher command, or Servicewide. In most instances, the benefit or dollar savings to the Government of a suggestion that is adopted can be readily measured. When the net monetary benefits for the first full year after the suggestion is put into practice is \$50 or more, the cash award granted is \$15.

The scale used as guidance by Incentive Awards committees in determining the size of cash awards for suggestions provides:

Cash Awards	Tangible Benefits
\$15	\$50 to \$300
\$20 to \$500	Up to \$10,000
\$505 to \$750	Up to \$20,000
\$755 to \$1,150	Up to \$100,000
\$1,155 to \$25,000	Over \$100,000

When a cash award is based solely or primarily on intangible benefits, the amount is determined by the extent of the application of the suggestion, its significance, and the importance of the programs affected by it. An intangible contribution can be rewarded—depending on its value to the Government—by a cash award ranging from \$15 to \$750, and even more when warranted.

A serviceman or civilian employee also can receive a cash award for a suggestion resulting in an improvement or economy of operation in a Department of Defense component other than the one in which he serves or is regularly employed.

Another good way to earn a cash award is with a suggestion for an improvement of material or services purchased from contractors which results in a benefit to the Government. This could be through a reduced price or an increase in the useful life of a purchased product. However, the suggestion must be submitted through Government channels (the local Incentive Awards committee) rather than directly to the contractor, to qualify for an award.

In addition, if a contributor's suggestion which earns him a cash award through adoption in his own unit or Service is also adopted by another military Service, he also can receive another cash award from that Service.



## How To Cash In On a Suggestion

If you have the germ of an idea running through your mind that might be turned into a good suggestion worth money to you, don't just think about it—do something about it.

This is how you go about it.

First, get the idea down on paper. Describe in detail the improvement you have in mind, what it will improve, how it will improve it, and how substantial or extensive you anticipate the benefit to be. Consider all the factors involved, such as people, equipment and tools, materials, procedures, time, workload, forms, and reports required, and the costs of these factors—both with and without the improvement you want to suggest.

Determine to your own satisfaction that your idea actually will produce a better, faster, safer, or more economical operation. It also is a good idea to try out your proposal on your co-workers and your immediate superior or supervisor to find out whether they can see any flaws you may have overlooked, or whether the idea can be expanded or refined even further.

If your idea survives that test, get a suggestion form and fill it out with care. Describe your proposed improvement, with no facts omitted or skimped. Indicate the positive advantages and benefits of your proposal, including the effort, time, material, or money that you believe your suggestion would save the Government in its first year of adoption. Doublecheck the suggestion form and the information on it and send it to your local Incentive Awards committee. You can drop it in one of the suggestion boxes strategically located on your installation, you can mail it to the committee, or you can hand it to your superior, who will see that the form gets to the committee promptly.

The committee will consider your suggestion fully and impartially, securing the evaluation and advice of experts competent to judge its merits. If the suggestion would result in a predictable monetary saving to the Government, that amount is determined as part of the consideration. The committee also takes into consideration the serviceman's or employee's job description, assigned duties, the normal performance requirements of his position, and his job responsibilities, since in many positions the

accomplishment of large savings often results from normal performance of duties. Consequently, when a cash award is granted for a suggestion or invention, the amount of that award is determined by a review of these factors in addition to the savings expected from the suggestion or invention.

Only when the committee has weighed all the facts completely and objectively does it make its decision. When it is decided that the suggestion is to be adopted, the committee then determines the nature of the award to be given, and if it is to be a cash award, how much it should be.

Whenever the local Incentive Awards committee believes that a suggestion warrants an award greater than it is empowered to grant, it forwards the suggestion along with its recommendation to the appropriate higher headquarters for consideration and action.

For example, for adopted suggestions with intangible benefits to the Government, an installation or activity commander can pay cash awards up to \$300. Additional awards raising that figure to a maximum of \$500 per suggestion can be made by a major commander, and when a cash award of over \$500 is proposed, the suggestion and recommendation are forwarded to the Incentives Award board serving the Service Secretary or Agency Director concerned, who can grant awards up to \$5,000. For awards over that amount, the suggestion and recommendation are sent to the Assistant Secretary of Defense (Manpower) for consideration. He can grant awards up to \$25,000, with the approval of the Secretary of Defense if the suggestor is a military man or woman, or with the approval of the Civil Service Commission if the suggestor is a civilian employee.

## Cash Awards for Inventions

Less common than suggestions but often as important in potential are the inventions of military members and civilian employees of the Armed Forces. A serviceman or a civilian employee with an invention that he submits to his local Incentive Awards committee for consideration can receive an award up to \$25,000 for the invention, depending upon its value to the Government.





Army geologist Mrs. Katharine Mather was presented the Department of Defense Distinguished Civilian Service Award by Deputy Secretary Vance in 1964.

Since the value of the invention may take considerable time to determine, early initial recognition of his effort is provided to a person whose idea is deemed patentable. When the Government decides to take initial action to obtain title or license to an invention or when the invention appears to be of value to the Government and the inventor consents to its consideration for an incentive award, the inventor is immediately eligible for an initial award of \$50. When a patent covering the invention disclosure is issued, that initial sum is followed by an additional award of \$100. When there are two or more coinventors, each receives a \$50 initial award, and the \$100 followup award is divided among them.

Further, in some circumstances, the inventor retains part or all of the patent rights to his invention and thus can exploit it commercially.

### Awards for Meritorious Performance

Exceptionally high degree of performance of duty or special acts by civilian employees beyond the requirements of their assigned duties can be rewarded by honorary awards and cash awards. Superior accomplishment of duty by members of the Armed Forces is recognized through military awards and recognition, which is separate from the honorary awards granted civilian employees under the Incentive Awards program.

Unlike suggestions and inventions, which originate with individuals, special recognition for

Victor Lindner of Picatinny Arsenal is congratulated by Norman S. Paul, then Assistant Secretary of Defense, on receiving the Department of Defense Distinguished Civilian Service Award in 1965.



SMaj. Ralverdan K. W. Lansing of Army Materiel Command received the Legion of Merit in 1966 for exceptional performance of duty.



meritorious performances originates with supervisors, who nominate or recommend servicemen and civilian employees for honorary awards, and civilian employees for cash awards.

Honorary awards for meritorious performance or special acts of merit or heroism by members of the Armed Forces include the Letter of Appreciation, the Letter of Commendation, the Commendation Medal, the Legion of Merit, and the Distinguished Service Medal.

Honorary awards for civilian employees include the Letter of Appreciation, the Letter of Commendation, the Outstanding Performance Rating, the Decoration for Exceptional Civilian Service presented by a Service Secretary, the Department of Defense Distinguished Civilian Service Award presented by the Secretary of Defense, and the President's Award for Distinguished Federal Civilian Service.

Civilian employees are eligible for cash awards, also, either as a single payment or as an in-grade step increase, for acts of meritorious performance or for sustained superior performance. The in-grade step increase is more often considered the proper reward for sustained superior performance, with cash awards substituted when an individual is being paid at the maximum rate for his grade, or when circumstances make a cash award preferable—such as when a promotion for the individual is imminent. Cash awards, then, for meritorious performance are generally granted for single acts or achievements, except as indicated above.

Those cash awards are based on Classification Act grades, as follows:

\$100-----	GS-1 through GS-4
150-----	GS-5 through GS-8
200-----	GS-9 through GS-11
250-----	GS-12 through GS-13
300-----	GS-14 through GS-18

Wage Board employees also are eligible for cash awards for meritorious performance and special achievements on a scale comparable to the above.

### How Effective Is the Program?

Even though suggestions, inventions, and special achievements that are worth hundreds of thousands of dollars apiece to the Govern-

ment are always very welcome, they generally are few and far between. Consequently, the Department of Defense's Incentive Awards program depends primarily on the less spectacular but more numerous suggestions and achievements of smaller value. They may be smaller individually, but they are highly significant in their aggregate value, which accounts for the phenomenal success of the program.

As proof, 247,000 suggestions were acted on by Incentive Awards committees in fiscal year 1965, and of those, more than 67,000 were adopted for use. Those adopted suggestions saved the Government nearly \$82 million in first-year benefits. Furthermore, they earned for their originators a total of \$2,707,445 in cash awards.

The Government's first-year benefit from those adopted suggestions averaged a little over \$1,200 per suggestion and the cash awards averaged \$40.25 each. At the same time in the superior performance phase of the Incentive Awards program, over 34,000 civilian employees were granted \$4,361,378 in awards for performance resulting in benefits to the Government totalling \$128,367,197.

To sum up, the Department of Defense Incentive Awards program provided well over \$210 million in benefits to the Government, rewarding the employees who made those benefits possible with cash awards totalling over \$7 million—a ratio of nearly \$30 in benefits for every dollar awarded for adopted suggestions and superior performance.

As these few figures indicate, the Incentive Awards program is "big business." Even though one suggestion or achievement may not by itself appear big or seem very important, when you add together the thousands that are submitted and adopted every year, the total impact of the program is immense. These are not just words to "sell" the program to servicemen and civilian employees or to commanders and supervisors; they are confirmed by the proven fact that over the past 6 fiscal years, the Department of Defense Incentive Awards program has provided benefits to the Government totalling \$721,540,-445.

The Defense officials who direct and monitor the Incentive Awards program are predicting confidently that even greater heights will be reached this year and in future years through

the newly authorized participation by members of the Armed Forces and the continued support of the civilian employees whose past efforts made the program such an outstanding success.

**SERVICE REGULATIONS  
GIVE PROGRAM DETAILS**

Detailed information on all aspects of the Incentive Awards program is contained in the following Department of Defense and Service instructions and regulations:

- DoD Directive 5120.15
- DoD Instruction 5120.16
- AR 672-301
- AFRs 40-470, 40-472, 40-473, 40-474, 40-475, 40-477, and AFM 900-4
- NCPI 450

**THE SECRETARY OF DEFENSE**

WASHINGTON, D.C.

18 May 1966

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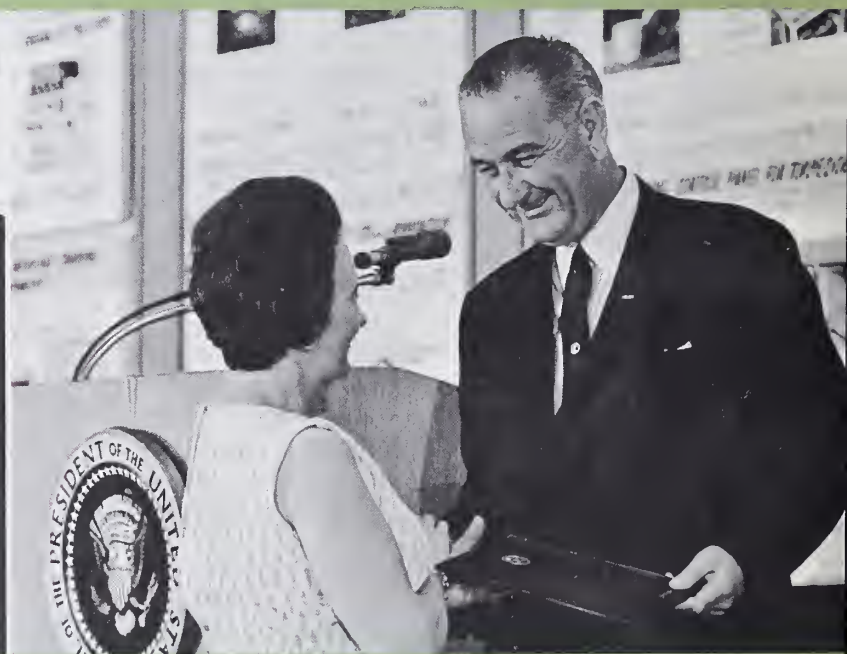




Brig. Gen. Joseph S. Bleymaier, Air Force Systems Command, is credited with saving \$33 million with improvements in the Titan III booster program.



Lt. Raymond W. Youmans.



Mrs. Kathryn E. Reubart.

In 1964 and 1965, President Johnson went to the Pentagon to congratulate military and civilian men and women of the Defense Department for their accomplishments in reducing Defense operating costs. Among those honored by the President were Lt. Raymond W. Youmans, Navy ordnance procurement officer; Air Force MSgt. Leroy Gudgel, an aircraft maintenance supervisor; and Mrs. Kathryn E. Reubart, a supervisory production controller with Army's Ammunition Procurement and Supply Agency.



MSgt. Leroy Gudgel.